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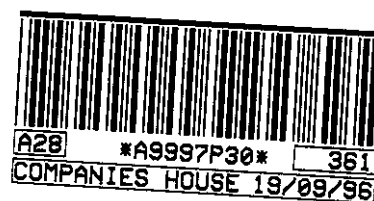
RUPERT MAGNUS TRADING CO PLC

ANNUAL REPORT AND ACCOUNTS

- for the year ended -

30TH APRIL 1996

LEVY GEE



RUPERT MAGNUS TRADING CO PLC

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RUPERT MAGNUS TRADING CO PLC

COMPANY INFORMATION

DIRECTORS

R V Magnus (Chairman)
E M Magnus
T P Magee

SECRETARY

Mrs P Magnus

REGISTERED OFFICE

66 Wigmore Street
London
W1H 0HQ

COMPANY NUMBER

2374993 (England)

AUDITORS

Levy Gee
Chartered Accountants
66 Wigmore Street
London
W1H 0HQ

RUPERT MAGNUS TRADING CO PLC

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Audited Accounts for the year ended 30th April 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Accounts the Directors are required to

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts;
- * prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

	<u>1996</u>	<u>1995</u>
The results for the year are set out below:		
Loss on Ordinary Activities before Taxation	(45,583)	4,363
Taxation	10,657	(1,750)
	-----	-----
Deficiency for the Year	£(34,926)	£ 2,613
	=====	=====

DIVIDENDS

The Directors do not propose a final dividend (1995: £ Nil).

RUPERT MAGNUS TRADING CO PLC

REPORT OF THE DIRECTORS

REVIEW OF ACTIVITIES

The principal activities of the Company continue to be the wholesaling and publishing of greeting cards and stationery. The Directors are disappointed with the results for the year and have actively sought to improve the Company's trading position by means of a major marketing campaign designed to target new areas of the market and expand their existing client base.

FIXED ASSETS

Changes during the year are summarised in the Notes to the Accounts.

DIRECTORS

The Directors during the year and their beneficial interests in the Company's shares at the dates specified were as follows:-

	<u>30th April 1996</u>	<u>1st May 1995</u>
	<u>Ordinary</u>	<u>Ordinary</u>
	<u>Shares</u>	<u>Shares</u>
	<u>of £1 each</u>	<u>of £1 each</u>
R V Magnus	-	-
E M Magnus	-	-
T P Magee	4,000	4,000
	=====	=====

The Directors' beneficial interests in the shares of the Parent Company at the dates specified were as follows:-

	<u>30th April 1996 and 1st May 1995</u>	
	<u>Ordinary "A"</u>	<u>Ordinary</u>
	<u>Shares</u>	<u>Shares</u>
	<u>of £1 each</u>	<u>of £1 each</u>
R V Magnus	2,000	2,000
E M Magnus	6,000	4,000
T P Magee	-	-
	=====	=====

CHARITABLE CONTRIBUTIONS

During the year there were charitable contributions totalling £700 (1995: £675).

RUPERT MAGNUS TRADING CO PLC

REPORT OF THE DIRECTORS

PAYMENT POLICY TO CREDITORS


The Company enters into individual contracts with suppliers.

The payment policy is to comply with the terms specified in these contracts.

AUDITORS

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Levy Gee as Auditors of the Company will be put to the Annual General Meeting.

By Order of the Board



MRS P MAGNUS
Secretary

Date 9th September 1996

LEVY GEE

RUPERT MAGNUS TRADING CO PLC

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the Accounts on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective Responsibilities of Directors and Auditors

As described on page 3 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the Company's affairs at 30th April 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LEVY GEE
Registered Auditor
Chartered Accountants

66 Wigmore Street
LONDON W1H 0HQ

Date

9th September 1996

RUPERT MAGNUS TRADING CO PLC

PROFIT AND LOSS ACCOUNT

- for the year ended -

30TH APRIL 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Turnover	2	2,918,213	3,557,401
Cost of Sales		(2,260,103)	(2,793,965)
		-----	-----
Gross Profit		658,110	763,436
 Distribution Costs		593,788	547,282
Administrative Expenses		112,618	215,777
		-----	-----
		(706,406)	(763,059)
		-----	-----
Operating Loss		(48,296)	377
 Interest Receivable		2,715	3,986
Bank Interest Payable		(2)	-
		-----	-----
Loss on Ordinary Activities before Taxation	2	(45,583)	4,363
 Taxation on Ordinary Activities	4	10,657	(1,750)
		-----	-----
Deficiency for the Year	10	£(34,926)	£ 2,613
		=====	=====

There are no gains or losses for the year other than those recognised in the Profit and Loss Account.


All amounts relate to continuing activities.

RUPERT MAGNUS TRADING CO PLC

BALANCE SHEET AT 30TH APRIL 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible	5	46,155	30,218
<u>CURRENT ASSETS</u>			
Stock	6	888,754	726,103
Debtors	7	383,213	373,911
Cash at Bank and in Hand		167,179	400
		-----	-----
		1,439,146	1,100,414
<u>CREDITORS - Amounts</u>			
<u>Falling Due Within One Year</u>	8	(1,440,934)	(1,051,339)
		-----	-----
<u>NET CURRENT LIABILITIES</u>			
		(1,788)	49,075
		-----	-----
		£44,367	£79,293
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9	54,000	54,000
Profit and Loss Account	10	(9,633)	25,293
		-----	-----
		£44,367	£79,293
		=====	=====

These Accounts were approved by the Board of Directors on 9th September 1996


 R V MAGNUS
Director


 E M MAGNUS
Director

RUPERT MAGNUS TRADING CO PLC

CASH FLOW STATEMENT

- for the year ended -

30TH APRIL 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Net cash inflow from operating activities	15a	326,984	34,520
<u>Returns on investments and servicing of finance:</u>			
Interest Received		2,715	3,986
Interest Paid		(2)	-
		-----	-----
Net cash inflow from returns on investments and servicing of finance		2,713	3,986
<u>Taxation:</u>			
Corporation Tax Paid		(2,001)	(13,953)
Income Tax Paid		-	(997)
		-----	-----
		(2,001)	(14,950)
<u>Investing Activities:</u>			
Payments to acquire tangible fixed assets		(34,385)	(20,520)
Receipts from sale of fixed assets		-	13,750
		-----	-----
Net cash outflow from investing activities		(34,385)	(6,770)
		-----	-----
Net cash inflow before financing		293,311	16,786
<u>Financing</u>			
Receipts from debtor for allotted share capital		600	600
		-----	-----
Net cash inflow from financing		600	600
		-----	-----
Increase in Cash and Cash Equivalents	15b,c	<u>£293,911</u>	<u>£17,386</u>

LEVY GEE

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

a) Accounting Convention

The Accounts are prepared in accordance with applicable Accounting Standards recognised in the United Kingdom under the Historical Cost Convention.

b) Depreciation

Depreciation is provided on all tangible fixed assets in order to write off their cost over their expected useful lives. The rates adopted are as follows:-

Motor Vehicles	20% per annum on reducing balance basis
Plant and Equipment	33 1/3% per annum on straight line basis
Fixtures and Fittings	15% per annum on a straight line basis

c) Stock

Stock is valued at the lower of cost and net realisable value.

d) Turnover

Turnover represents sales, excluding returns, trade discounts and Value Added Tax, of goods sold during the year.

e) Deferred Taxation

Deferred Taxation is provided at the current tax rate on the differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the Accounts. No provision is made where these timing differences are not expected to give rise to a tax liability.

f) Pension Costs

Defined contribution pension arrangements are made for certain employees of the Company. The Company's contributions are charged against the Profit and Loss Account in the year in which they become payable. The assets of the pension schemes are held separately from those of the Company in independently administered funds.

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

2 TURNOVER AND DISCLOSABLE EXPENSES

Turnover and Loss before Taxation are attributable to the main activities of the Company. The geographical split of Turnover has been omitted.

The loss before taxation is stated after charging/(crediting):-

	<u>1996</u>	<u>1995</u>
	£	£
Auditors' Remuneration:		
- Audit Fee	11,000	11,000
- Other Services	7,925	12,200
Depreciation	18,448	11,995
Loss on Disposal of Fixed Asset	-	1,196
Management Charges Receivable	(80,000)	(80,000)
	=====	=====

3 DIRECTORS AND EMPLOYEES INFORMATION

Directors Emoluments

	<u>1996</u>	<u>1995</u>
Remuneration	103,135	126,656
Pension Contributions	8,004	7,920
Benefits in Kind	10,233	13,596
	-----	-----
	£121,372	£148,172
	=====	=====
Chairman (Excluding Pension Contributions)	£26,863	£34,016
	=====	=====
Highest Paid Director (Excluding Pension Contributions)	£44,631	£62,057
	=====	=====

The Emoluments of the other Director (excluding pension contributions) fell within the following range:-

	<u>No.</u>	<u>No.</u>
£40,001 - £45,000	1	1
	=====	=====

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

3 DIRECTORS AND EMPLOYEES INFORMATION (Continued)

Employees Information (Excluding Directors)

	<u>1996</u>	<u>1995</u>
Staff Costs:		
Wages and Salaries	243,742	259,705
Social Security Costs (Including Directors)	35,216	36,589
Staff Pension Costs	719	719
	-----	-----
	<u>£279,677</u>	<u>£297,013</u>
	=====	=====

Numbers of Employees:

The average weekly number of employees during the year was:

	<u>1996</u>	<u>1995</u>
Distribution and Sales	12	11
Administration	12	12
	-----	-----
	<u>24</u>	<u>23</u>
	=====	=====

4 TAXATION ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
Corporation Tax at 25% (1995:25%) based on the Results for the Year	-	3,000
Overprovision in respect of Prior Years	(10,657)	(1,250)
	-----	-----
	<u>£(10,657)</u>	<u>£ 1,750</u>
	=====	=====

5 TANGIBLE FIXED ASSETS

	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>	<u>Total</u>
Cost at 1st May 1995	8,330	30,681	24,383	63,394
Additions in Year	-	-	34,385	34,385
	-----	-----	-----	-----
Cost at 30th April 1996	8,330	30,681	58,768	97,779
	-----	-----	-----	-----
Depreciation at 1st May 1995	3,245	7,910	22,021	33,176
Charge for Year	1,250	4,555	12,643	18,448
	-----	-----	-----	-----
Depreciation at 30th April 1996	4,495	12,465	34,664	51,624
	-----	-----	-----	-----
<u>Net Book Value at 30th April 1996</u>	<u>£ 3,835</u>	<u>£18,216</u>	<u>£24,104</u>	<u>£46,155</u>
	=====	=====	=====	=====
<u>Net Book Value at 30th April 1995</u>	<u>£ 5,085</u>	<u>£22,771</u>	<u>£ 2,362</u>	<u>£30,218</u>
	=====	=====	=====	=====

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

6 STOCK

	<u>1996</u>	<u>1995</u>
Finished Goods	<u>£888,754</u>	<u>£726,103</u>

7 DEBTORS

	<u>1996</u>	<u>1995</u>
<u>Amounts Falling Due Within One Year</u>		
Trade Debtors	331,275	246,371
Amounts owed by Parent Company	-	79,847
Other Debtors	10,807	8,264
Called Up Share Capital Not Paid	400	1,000
Prepayments	40,731	38,429
	<u>£383,213</u>	<u>£373,911</u>

The called up share capital not paid is owed by T P Magee, a director of the Company.

8 CREDITORS

	<u>1996</u>	<u>1995</u>
<u>Amounts Falling Due Within One Year</u>		
Bank Overdraft	-	127,132
Trade Creditors	1,193,563	834,769
Amounts owed to Parent Company	222,392	-
Current Corporation Tax	2	3,000
Other Taxes and Social Security Costs	3,242	12,776
Other Creditors	4,087	58,098
Accruals	17,648	15,564
	<u>£1,440,934</u>	<u>£1,051,339</u>

The Bank Overdraft facility is secured by a fixed and floating charge over the assets of the Company. Amounts owed to Parent Company are secured by a subsequent debenture providing a fixed and floating charge over the assets of the Company.

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

9 SHARE CAPITAL

	<u>1996</u> <u>Ordinary</u> <u>Shares</u> <u>of £1 each</u>	<u>1995</u> <u>Ordinary</u> <u>Shares</u> <u>of £1 each</u>
<u>Authorised</u>	£250,000	£250,000
<u>Issued, Called Up and Fully Paid</u>	53,600	53,000
<u>Issued and Called Up</u>	400	1,000
	£54,000	£54,000

10 STATEMENT OF REVENUE DEFICIENCY

	<u>1996</u>	<u>1995</u>
Balance at 1st May 1995	25,293	22,680
Deficiency for the Year	(34,926)	2,613
Balance at 30th April 1996	£(9,633)	£25,293

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1996</u> £	<u>1995</u> £
Loss for the Financial Year and Net Reduction in Shareholders' Funds	(34,926)	2,613
Opening Shareholders' Funds	79,293	76,680
Closing Shareholders' Funds	£44,367	£79,293

12 TRANSACTIONS WITH DIRECTORS

During the year the Company sold goods and services at arms length totalling £167,088 (1995: £129,145) to Magnus Imprints Limited, a company in which E Magnus is a Director and Shareholder. In addition, the Company levied a management charge of £80,000 (1995: £80,000) to Magnus Imprints Limited.

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

13 IMMEDIATE AND ULTIMATE PARENT COMPANY

The Immediate and Ultimate Parent Company is Rupert Magnus Group Limited, a company registered in England and Wales.

14 OPERATING LEASE COMMITMENTS

At the year end, the Company was committed to making the following payments during the next year in respect of operating leases, which will expire in the following periods:

	<u>Land and Buildings</u> £
Within Two to Five Years	18,000 <u> </u>

LEVY GEE

RUPERT MAGNUS TRADING CO PLC

NOTES TO THE ACCOUNTS

15 NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Operating Loss to
Net Cash Inflow from Operating Activities

	<u>1996</u> £	<u>1995</u> £
Operating Loss	(48,296)	377
Depreciation Charges	18,448	11,995
Increase in Stocks	(162,651)	9,608
Decrease in Debtors	755	185,203
Increase in Creditors	518,728	(173,859)
Loss on Sale of Fixed Assets	-	1,196
	-----	-----
Net Cash Inflow from Operating Activities	<u>£326,984</u>	<u>£34,520</u>

b) Analysis of Changes in Cash and Cash
Equivalents during the Year

	£
Balance at 1st May 1995	(126,732)
Net Cash Inflow	293,911

Balance at 30th April 1996	<u>£167,179</u>

c) Analysis of the Balance of Cash and Cash
Equivalents as Shown in the Balance Sheet

	<u>1996</u> £	<u>1995</u> £	<u>Change in Year</u> £
Cash at Bank and in Hand	167,179	400	166,779
Bank Overdraft	-	(127,132)	127,132
	-----	-----	-----
	<u>£167,179</u>	<u>£(126,732)</u>	<u>£293,911</u>

d) Analysis of Changes in Financing during the Year

	<u>Called Up, Fully Paid Share Capital</u> £
Balance at 1st May 1995	53,000
Receipts of Share Capital Allotted but not Fully Paid	600

Balance at 30th April 1996	<u>£53,600</u>

LEVY GEE